

Building a Better Durham: 2005 Bond Referendum

Vote on November 8, 2005

Good Things Are Happening In Durham

This Is Durham

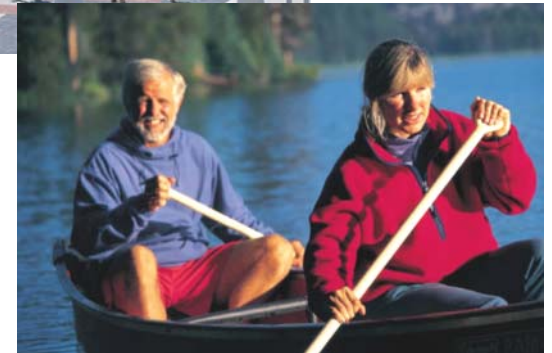
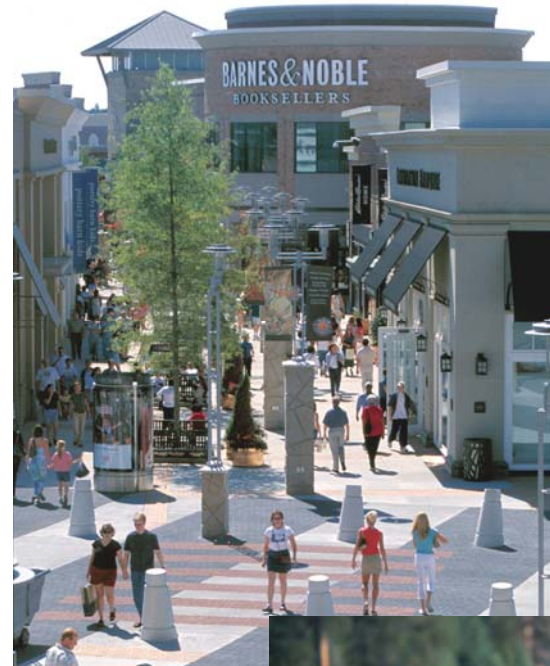
- A growing and dynamic City recognized nationwide with numerous accolades:
 - #2 Best Place for Business & Careers – *Forbes Magazine* 2005
 - Top 100 Best Places to Live – CNN's *Money Magazine* 2005



Good Things Are Happening In Durham

This Is Durham

- #2 Healthiest Area in America –
Outlook Magazine 2004
- #26 Best Quality of Life –
Outlook Magazine 2004
- Streets at Southpoint Mall, One
of 10 Best Places to Spend It All
In One Place – *USA Today* 2004



Good Things Are Happening In Durham

This Is Durham



Attracting Downtown Development

Good Things Are Happening In Durham

Durham Has A Strong Financial Standing

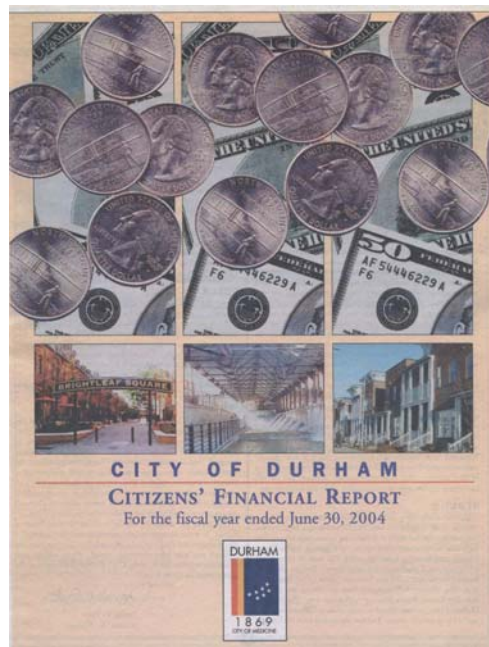
- **Durham enjoys a AAA bond rating – the highest rating that allows the City to borrow money at the lowest interest rates.**
 - As ranked by top three ratings agencies: *Fitch, Standards & Poors, and Moody's*, a distinction attained by fewer than 40 cities nationwide.
 - Extremely healthy savings or “fund balance” at 12 percent of budget.
 - Consistently clean external audits of City finances.



Good Things Are Happening In Durham

Durham Has A Strong Financial Standing

- Consistently awarded by national agencies for financial reporting.



City receives award for financial reporting

The Government Finance Officers Association of the United States and Canada has given the Award for Outstanding Achievement on Popular Annual Financial Reporting to the city of Durham for its popular financial report, the Citizen's Financial Report, for the fiscal year that ended June 30, 2004. This is the city's first award from the group for popular financial reporting.

The Award for Outstanding Achievement on Popular Financial Reporting is a prestigious, national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

The report originally was distributed as an insert in The Herald-Sun in December. Copies are available at the Durham One Call information desk on the first floor of City Hall or at www.durhamnc.gov/departments/finance.

Good Things Are Happening In Durham

What Does it Take to Build A Better Durham?

Good Things Are Happening In Durham

We've Listened...

- **Community Involvement:**
 - **Citizens CIP Committee**
 - Prioritize and advise on most critical projects based on public safety, health, and deferred maintenance needs.
 - Advise on financing options.
- **City Staff Input:**
 - **Standing CIP Advisory Meetings**
 - Prioritize and advise on most critical projects based on public safety, health, and deferred maintenance needs.
- **Surveys and Assessments:**
 - Facilities, road conditions, and sidewalks.
 - Master plans for water and sewer, parks, downtown, and transportation.

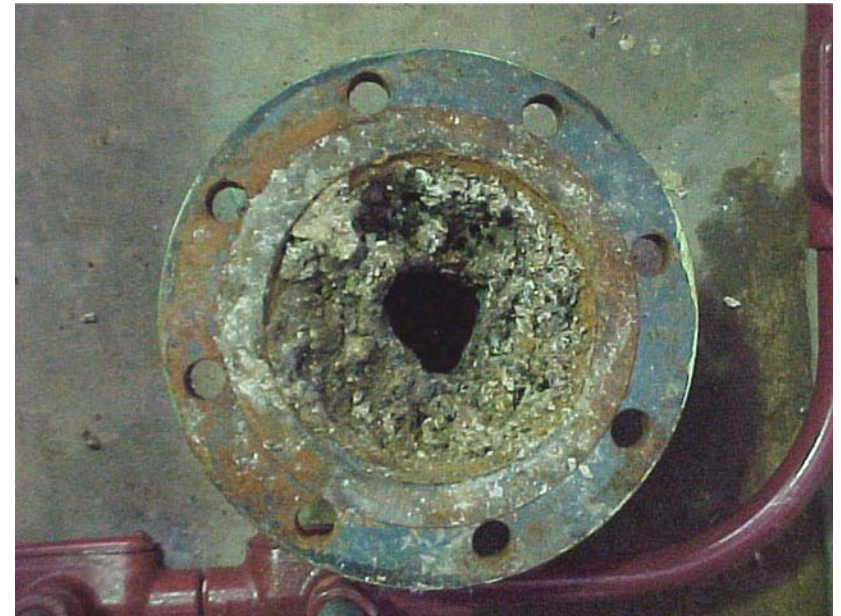
Good Things Are Happening In Durham

The Message...

Fix our major problems!

Good Things Are Happening In Durham

Fix!



Water and Sewer Infrastructure Decay

Good Things Are Happening In Durham

Fix!



Public Buildings Infrastructure Decay

Good Things Are Happening In Durham

Fix!



Streets In Need of Repair

Good Things Are Happening In Durham

Fix!



Parking Decks In Need of Repair

Good Things Are Happening In Durham

Fix!



Sidewalks In Need of Repair

Good Things Are Happening In Durham

Fix!



Parks In Need of Repair

Good Things Are Happening In Durham

A Few Facts

- **Durham is not alone:** Cities across the U.S. face the same dilemma.
 - Durham faces long-term capital improvement needs totaling more than **\$630 million**.
 - With current funding: Durham is on a **80-year street paving schedule** – a normal schedule is every 20 years.

Good Things Are Happening In Durham

A Few Facts

- Durham's century-old water and sewer lines should be replaced every 100 years. However, at current funding:
 - Sewer lines would be replaced every **252 years.**
 - Water lines would be replaced every **1,396 years.**
- Durham has more than **25 miles of unpaved streets.**
- Durham is working to comply with the American With Disabilities Act (ADA), which will **cost more than \$10 million.**

Good Things Are Happening In Durham



2005 Bond Referendum

- In June, Durham City Council approved a \$110 million bond referendum to go before Durham voters on November 8, 2005.
- Long-term construction program to improve:
 - Streets & Sidewalks
 - Cultural Facilities
 - Parking Decks
 - Neighborhood Improvement
 - Water & Sewer
 - Public Facilities
 - Parks & Recreation
 - Public Safety

** Project start times will be spread over time to facilitate project management, accommodate staffing, and manage expectations.*

Good Things Are Happening In Durham

Why General Obligation Bonds?

- Least expensive and most cost-effective way to borrow money to finance large-scale projects.
- Durham's excellent financial standing allows the City to finance at the lowest rates.
- Last General Obligation Bonds were approved in 1996.

Good Things Are Happening In Durham

What Are the Needs?

**With bond approval in
November, we will...**

Good Things Are Happening In Durham

Pave Dirt Streets and Improve Pedestrian Safety



- Sidewalk Repair, Replacement, and Construction
- Road Resurfacing
- Traffic Calming
- Dirt/Petition Street Paving

\$18,512,000

Street & Sidewalk Bonds

Good Things Are Happening In Durham

Improve Public Safety



- Upgrade Fire Stations Throughout the City
- Upgrade Police HQ and Downtown Patrol Substation
- Improve the Forensics Unit to Increase the Durham Police Department's Ability to Catch Criminals

\$6,195,000

Public Safety Bonds

Good Things Are Happening In Durham

Renovate Cultural Landmarks

- Hayti Heritage Center
- Carolina Theatre
- Durham Arts Council
- Durham Civic Center
- Durham Armory
- DAP Renovation & Upgrades (Phases I & II)



\$11,005,000

Cultural Facilities Bonds

Good Things Are Happening In Durham

Improve Parks and Recreation for Our Children



- Bethesda Park
- Northeast Central Durham Multi-Use Recreation Center (Holton Middle School)
- Walltown Recreation Center
- Rock Quarry/Edison Johnson Renovations
- Numerous Other Park Upgrades

\$38,333,000

Parks & Recreation Bonds

Good Things Are Happening In Durham

Make Major Repairs to Public Facilities



- Solid Waste Transfer Station
- Cemeteries Improvement (buildings, driveways)



- City Hall Annex Renovation to Enable Consolidation of Office Space

\$7,113,000

Public Improvement Bonds

Good Things Are Happening In Durham

Replace Century-Old Water and Sewer Mains Citywide



- Expanding Treatment Plants to Meet Future Growth
- Sewer Line Rehabilitation
- Sewer & Water Extensions and Improvements



\$20,000,000

Water & Sewer Bonds

Good Things Are Happening In Durham

Improve Our Parking Decks



- Chapel Hill Street Parking Deck Repairs
- Centre Deck Parking Structural Repairs
- Corcoran Street Parking Deck Repairs

\$7,342,000

Parking Bonds

Good Things Are Happening In Durham



Improve Accessibility for Disabled

- American with Disabilities Act (ADA) compliance, mandated by the U.S. Department of Justice, is needed throughout the City:
 - Parks
 - Public Buildings
 - Sidewalks
 - Cultural Facilities

Good Things Are Happening In Durham

Encourage Commercial Development in Distressed Neighborhoods



- Focus on Gateways
- Targeted Neighborhoods
- Developing Public/Private Partnerships
- Targeted Infrastructure Improvements

\$1,500,000

Neighborhood Improvement Bonds

Good Things Are Happening In Durham

Can We Do It?

Good Things Are Happening In Durham

Lessons Learned Lead to Better Processes and Better Outcomes

Better Planning

- Dedicated Resources for Capital Planning
- Dedicated CIP Coordinator
- Year-round CIP Advisory Team
- Modern Management Tools
Scheduling and Project Management

Comprehensive Project Oversight

- “Project Update” via Internet
- Citizens CIP Oversight Committee

Good Things Are Happening In Durham

What's Left from 1996 Bond Referendum

- Balance Unissued \$11.8M
(as of September 2005)
- Committed/Under Contract \$10.1M
- Unused Authority* \$1.7M

** Due to available grant funding for the multimodal project, all of the bond authority for that project may not be needed.*

Good Things Are Happening In Durham

Completions In the Last Few Years

Walltown Playground



American Tobacco Trail Phase C Ribbon-Cutting



**Heart of
Durham Hotel
Demolition**



**East End Park
Renovation**



Good Things Are Happening In Durham

\$90 Million General Obligation Bond Authority

	FY07	FY09	FY11
Issuance	\$30 million	\$30 million	\$30 million
Tax Support	1.75 cents	1.75 cents	1.75 cents
Cumulative Tax	1.75 cents	3.50 cents	5.25 cents
Cumulative Bill *	\$26	\$52	\$78
Monthly Bill *	\$2.16	\$4.33	\$6.50

* Calculations based on \$150,000 home.

Good Things Are Happening In Durham

\$20 Million Water & Sewer

Average Residential Customer Impact

Issuance	\$20 M
% Increase	3.43%
Bi-Monthly Billing Increase	\$2.72
Annual Bill Increase by FY09	\$16.32

** Increase would likely not occur all in one year.*

Good Things Are Happening In Durham

**Future
Durham
Station**



Lyon Park



Durham is on the move, and our Capital Improvement Program must keep pace with our dynamic community.

Investment in Durham's future will be our legacy.



**Feature of
Oval Drive Park**



**Downtown
Streetscape
Improvements**

Good Things Are Happening In Durham

Ongoing Communication and Coordination

- CIP on the City's website (includes all future projects, not just bond-funded projects).
- Bond Referendum Q&A on the City's website.
- Monthly project status reports on the City's website.
- Creation of a permanent Citizen CIP Oversight Committee.

Good Things Are Happening In Durham

Remember...

- Durham City Council has approved a \$110 Million Bond Referendum to improve Durham.
- Bonds are the cheapest and best way to finance the major projects Durham needs to improve: Streets, Public Facilities, Parks & Recreation Facilities, Water and Sewer infrastructure, Cultural Facilities and Public Safety buildings.
- Other financing methods will cost more.
- Waiting longer to make these much needed improvements will cost more in the long run.

Vote on November 8, 2005

Good Things Are Happening In Durham



For More Information

Visit the City's website at
www.durhamnc.gov

Good Things Are Happening In Durham